Big Steel Profits Bared; New Bill Cuts Deeply

mand of capital as a result of combination."

Reveals Rail Profits.

On the subject of the production and costs of steel rails, the Commissioner gives this review in summary form:—

"Advancing to Bessemer rail ingots, there appears to be a 'book cost' of .....09. All the preceding intermediate profits, however, have been carried forward in the 'book cost' of the raw material, pig iron. Thus, the total transfer profits for ingots were $1.84, leaving a net ingot cost of $15.75. For heavy Bessemer rails, finally, the book cost was $21.27. This is based on the book cost of ingots. The final transfer profits were $2.47. Deducting this leaves $18.80 as the revised cost. The total difference is thus a very considerable amount. About one-third of this revised cost was for labor in all stages of production, as appearing directly in the cost sheets.

"In the text, the general principles and form of presentation for other products are the same as for rails. The relation of these integration profits to entire integration investment may be roughly estimated here. The price of Bessemer steel rails has been fixed for over ten years at about $28 a ton. The cost, eliminating transfer (but not transportation) profits is $18.80 per ton. This leaves a margin of $9.20. The total mining and manufacturing investment (excluding transportation properties) actually behind this steel rail production, from ore to rails, is from $80 to $55 a ton. On this investment the margin, $9.20, represents a profit of from about 11 to 17 per cent. The margin between revised cost and price must in this way be distributed over the entire investment thus attributable to the product in question."

Small Concerns Pay Heavily.

Making a comparison of the "book costs" and the profits of large and small companies the commissioner continues:—

"A very significant fact is the difference between the costs of large companies, which are well integrated, and small companies, which are not. A good example here is Bessemer billets. In this product intermediate profits have also accumulated through ore, coke, pig iron, &c. For the group of large companies the book cost of billets was $19.89, for small companies $22.54. The difference was $2.65. But now, taking out transfer profits, the cost for large companies was $17.56 and for the small companies $21.69, a difference of $4.13 between the two. The large companies represented here included the Steel Corporation, the Republic, Lackawanna and Jones & Laughlin steel companies."

Conclusions arrived at by the Commissioner are that unreasonable profits are derived from the iron ore of the Lake region, the earnings of the United States Steel Corporation are excessive and that the government should take some action looking to the segregating of the ore railroads from the Steel Corporation. After being presented to President Taft the report was sent to the House Committee on Ways and Means.

"The prices of lake ore," the report declares, "have ben kept many years at an unreasonably high level compared with the cost of production and the cost of the investment in the producing ore properties."

The report is based upon an investigation of two-thirds of the country's production of iron and steel from 1902 to 1906, inclusive. Limited data for 1902 to 1910, Mr. Smith adds, "makes it clearer that these five years figures substantially represent present conditions also."

Steel Profits Bared in Federal Report

According to the Commissioner of Corporations, on an estimated investment of from $55 to $80 actually behind the production of a ton of steel rails, a profit of $9.20 is derived. After deducting transfer profits, here are the figures:—

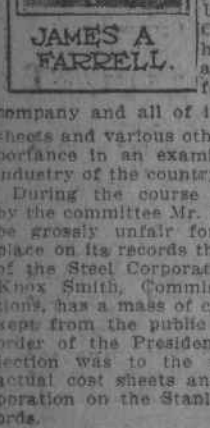
Ingots	$15.05
Labor	1.16
Other operating expenses	1.30
Additional costs	1.29
Total cost	$18.80
Market price	$28.00

Government experts, it is reported, find that the cost of production of a ton of Bessemer steel rails by the small independent companies amounts to $4.13 a ton more than it costs the United States Steel Corporation, the Republic, the Lackawanna and the Jones & Laughlin steel companies.

FIGHTS TO KEEP COST FIGURES FROM RECORDS

HERALD BUREAU,
No. 1,502 H STREET, N. W.,
WASHINGTON, D. C., Monday.

"It is most vital tha tthe committee get this information and, come what will, we will know it. There is power enough in this government to find it out."


JAMES A. FARRELL.

This announcement was made by A. O. Stanley, chairman of the special steel investigating committee of the House, to-day to James A. Farrell, president of the United States Steel Corporation, who had been served with a subpoena asking for the books of the company and all of its subsidiaries, cost sheets and various other documents of importance in an examination of the Steel industry of the country.

During the course of his examination by the committee Mr. Farrell said it would be grossly unfair for the committee to place on its records the cost of production of the Steel Corporation. While Herbert Knox Smith, Commissioner of Corporations, has a mass of cost figures which he kept from the public until to-day at the order of the President, Mr. Farrell's objection was to the reproduction of the actual cost sheets and books of the corporation on the Stanley Committee's records.

It was finally agreed between the committee, Mr. Farrell and the Steel Corporation attorneys that the committee's experts should examine the books on the understanding that no step toward making this information public would be taken except upon authority of the full committee as the result of a vote.

Mr. Farrell asserted that the "Gary dinners" at which steel manufacturers assembled to discuss the trade had no influence in making or maintaining prices, although he thought they had influence in maintaining the stability of the market.

"I do not believe," he said, "that the prices of any two steel manufacturers in the United States to-day are alike."

"Why has Judge Gary said that the day of competition has passed?" asked Representative Beall.

"I think he referred to destructive competition," said Mr. Farrell. "As a matter of fact, steel prices to-day are very low. There is no doubt that reports of some corporations soon to be made will show that they are not getting the cost of manufacture out of present prices."

"Are you one of the apostles of this new cult of industrialism advocating government control of corporations, as suggested by Judge Gary, Mr. Carnegie and others?"

"I believe that there should be publicity of corporations; that this should show profits and losses and general conduct of business," said Mr. Farrell. "I think that there should be a supervising board, but I believe that it would be impracticable, almost impossible, for a governmental board to fix prices, even to fix minimum prices. To determine the cost of articles manufactured in the steel business alone requires a corps of hundreds of experts.

"I would have a supervisory board which would have authority to investgate all corporations for the purpose of preventing not unusually high rates but also unusually low rates which would result in reduced wages and impairment of plants."

Mr. Farrell said he did not believe that the Sherman law should be repealed, but that it should be clarified so that business men would know exactly what to do under it.

When asked about a statement before the committee by Andrew Carnegie that it was obvious that there was some sort of combination among steel men to-day to maintain prices Mr. Farrell said:—

"I understand Mr. Carnegie made that remark, but Mr. Carnegie has not been in the steel business for eleven years. You probably were surprised at the alacrity he displayed in giving you information you desired."

"This was the only positive statement he did make," said Representative Beall laughing.

STEEL DUTIES TO ADD $20,000,000 TO IMPORTS

Underwood Steel Bill's Main Points

Reductions range from 30 to 50 per cent.

The average rate, 22.42 per cent ad valorem, will increase steel imports $20,000,000 annually.

It will reduce the annual revenue by $823,597 from 1911.

Iron ore, wire fencing, hoop iron, nails, horseshoes, tungsten ore, zinc ore, cash registers, linotype machines, tools, printing presses, sewing machines, typewriters made free of duty.

Steel rails are reduced from 15.34 per cent to 10 per cent.

Pig iron reduced from 15.66 to 8 per cent.

Automobiles, motor cycles and bicycles reduced from 45 to 40 per cent. Big cuts on kitchen utensils, firearms, needles, fish hooks and watch movements.

HERALD BUREAU,
No. 1,502 H STREET, N. W.,
WASHINGTON, D. C., Monday.

Sweeping reductions all along the line in products of iron and steel and an enlarged free list, which includes iron ore, now dutiable at 5.29 per cent, are the features of the Underwood metal schedule, which was made public to-day. It will be submitted to the democratic caucus of the House to-morrow afternoon and doubtless will be approved.

Prompt consideration of the bill will be given by the House. It is to be sent over to the Senate within ten days or two weeks.

Representative Oscar W. Underwood, chairman of the Ways and Means Committee, estimates that the reductions in the tariff made by the bill range from 30 to 50 per cent from the Payne rates. The average rate of duty of the democratic measure is 22.42 per cent, while the average rate of the Payne law in equivalent ad valorem figures is estimated by him to be 34.51 per cent.

Mr. Underwood admits that the bill, if it becomes a law, will increase the importations of foreign steel to the extent of approximately $20,000,000 a year, and that there will be an annual falling off in revenue to the government from these products of more than $800,000 from the year 1911 and of about $4,000,000 from the year 1910.

Other features of the bill are the placing on the free list of hoop and band iron and steel, existing duty, 16 per cent; barbed wire and wire fencing, 7.77 per cent; nails, 17.67 per cent; horseshoes, 21 per cent; tungsten ore, 10 per cent; zinc ore, 36.57 per cent; cash registers, linotype machines, machine tools, printing presses, sewing machines and typewriters, 38 per cent.

The rates of duty under the existing Payne-Aldrich tariff law have been reduced to the equivalent ad valorem duty by the committee. Using the ad valorem equivalent as a basis, the important reductions proposed by the democratic bill are:—

Pig iron, from 15.66 to 8 per cent; scrap iron, from 8.72 to 8 per cent; ferro-manganese ore, from 15 to 6.52 per cent; chrome metals, from 20.69 to 15 per cent; bar iron and steel, from 13.80 to 10 per cent.

Slab iron and steel, from 25.62 to 10 per cent; round iron, in coils or rods, 34 to 10; beams, girders, &c., 30 to 15; boiler plate, 37 to 20; sheet iron or steel, 32 to 15; steel saw plates, 23 to 15; iron or steel forgings, 30 to 15; ball and roller bearings, 45 to 25; hoop iron, 17.83 to 15; band iron, 35 to 15; railway bars, 15.34 to 10; railway fish plates, 20 to 10; steel ingots, 21.83 to 10; rivet, screw and fence rods, 14 to 10; anvils, 31.95 to 15; automobiles, motorcycles and bicycles, 45 to 40; axles and axle bars, 14.81 to 10; blacksmith tools, 17.12 to 10; bolts, 29.07 to 15; cast iron pipes, all kinds, from 16.13 to 10 per cent; chains, 29 to 20; knives and cutlery, 77.82 to 35; razors, 71 to 35; scissors and shears, 52.55 to 30; carpenters', butchers' and artisans' knives, kitchen knives and forks, 43.43 to 25; files and rasps, 61.16 to 25; muskets, rifles, 25 to 15; breech-loading shotguns and rifles, 45.64 to 35; table, kitchen and hospital utensils, 40 to 25; needles and bodkins, 43 to 25; fish hooks, 45 to 10, and fishing rods, reels and tackle, from 45 to 25 per cent.

Engraved plates for printing, electrotypes and stereotypes from 25 to 15 per cent; lithograph plates, 50 to 25; saws, 24.30 to 12; umbrella and parasol ribs and stretchers, 50 to 30; railway wheels, 56.63 to 25; alumium and alloys, 46.19 to 25; antimony, 36 to 10; German silver, 25to 15; bronze powder, &c., 41 to 25; braziers' copper, 11.48 to 5; gold leaf, 38.65 to 35, and silver leaf, 87.70 to 30.

Tinsel wire, &c., is increased from 10.45 to 30 per cent. Tinsel wire products are reduced from 64 to 40 per cent; hooks and eyes, 32.60 to 15; lead bearing ore, 53 to 25 per cent upon the lead contents; lead bullion, 93.59 to 25; nickel and alloys, 16.80 to 10; pens, except gold, 50 to 25; gold pens, 25 per cent, not changed; pins, 35 to 20 per cent; quicksilver, 13 to 10; type metal, 34 to 15; watch movements, 50 to 30; zinc, in blocks or pigs, 29 to 15; metal cans and packages, 66 to 30; bottle caps, 50 to 30; steam engines, 30 to 25; and nippers and pliers, from 60 to 30 per cent.

CALLS MR. KNOX TO EXPLAIN OUTLAYS

House Committees Make Vain Effort to Override Executive Order for Secrecy.

HERALD BUREAU,
No. 1,502 H STREET, N. W.,
WASHINGTON, D. C., Monday.

Whether the State Department can be compelled to account for all the specific appropriations made by Congress for diplomatic purposes became an issue today when Secretary Knox was subpoenued to appear before the House Committee on Expenditures in the State Department.

Mr. Knox declined to make public the Lake Champlain expenditures. He said that he acted under the order of the President, issued in April, which directed that no officer of the State Department furnish information to Congress from matters filed under the provisions of section 291 without the President's written authority.

"Will you ask the President to let you produce those papers?" asked Mr. Hamlin, chairman of the committee.

"I will speak to the President about it," replied Mr. Knox.

Later it was decided to issue the subpoena, which is made returnable Thursday.

Thomas Morrison, disbursing officer of the State Department, started the incident to-day when he appeared before the committee without the Lake Champlain papers.

The papers in question where vouchers accounting for the expenditure in 1909 of $20,000 appropriated by Congress to defray the expense of the celebration of the discovery of Lake Champlain, and of $1,000 in 1906 appropriated to bring criminals from abroad.

"Where are the papers?" demanded the committee chairman.

"I haven't got them," replied Mr. Morrison.

"Who has?" asked Mr. Hamlin.

"I can't tell without the Secretary's permission," replied the witness.

Mr. Knox was summoned and said he knew nothing of the whereabouts of the papers, but gave Mr. Morrison permission to tell what he knew. That official said that on December 6 last, a day after a speech on the Lake Champlain matter was made in the House by Mr. Hamlin, he had turned the vouchers for this expenditure over to Chandler Hale, Third Assistant Secretary of State, who did not return them until last Saturday. He explained that he had made a mistake when he told the committee previously that he did not have them. Mr. Morrison said the vouchers for the other appropriation were removed from his possession by the chief clerk of the department last Saturday. He said he did not have them when asked about them at the morning session, but after luncheon, he said, the chief clerk had given them back. He said he would not produce them because of the executive order of President Taft to keep the expenditures secret.

Mr. Knox told the committee that under the law the President had the right to keep these expenditures secret. Mr. Hamlin differed with him and said he would bring the matter to an issue in the House by serving a subpoena upon Mr. Knox for the papers.

"Very well," said the Secretary; "I am used to subpoenas."

TO MAKE FIGHT ON "PORK BARREL" IDEA

Representative Fitzgerald, Democratic "Watchdog of the Treasury," Warns His Colleagues.

HERALD BUREAU,
No. 1,502 H STREET, N. W.,
WASHINGTON, D. C., Monday.

Representative John J. Fitzgerald, of New York, chairman of the House Appropriations Committee and ex officio "Watchdog of the Treasury," to-day fired the opening gun of the fight that is to culminate to-morrow afternoon at the democratic caucus over the proposed public buildings "pork barrel." In a statement made public to-day Mr. Fitzgerald said:—

"To test the sentiment of the democrats in the House and to ascertain whether the party's pledges to retrench and economize are empty vaporings or sincere pledges, I shall present to the democratic caucus to-morrow a resolution declaring that the democratic party deems it unwise to pass a public buildings bill at this session of Congress."

The New York member said it was high time the democrats began to practice real economy. He pointed to the steel tariff bill made public by the Ways and Means Committee to-day, which means a reduction in revenue of $800,000 a year. He said there was a movement to reduce the tariff on sugar that would result in an annual loss to the government of $30,000,000. Reduction in the tariff all along the line, as promised by the democrats, could not be accomplished, he said, unless expenditures were reduced.

The Treasury statement for Saturday, January 20, said Mr. Fitzgerald, shows a deficit in ordinary receipts and expenditures of $27,272,417, while on the same day last year the deficit was only $6,933.

Hunting the Wolf. A new sport for hardy Americans is hunting wolves on snowshoes. The wolf has become a great pest in some of the States, so the new sport is welcome. A thrilling illustrated story in next Sunday's NEW YORK HERALD.

WANTS PRESIDENTIAL RACE FUND WATCHED

Senator Gore's Resolution Asks Commission to Investigate Source and Disposition.

HERALD BUREAU,
No. 1,502 H STREET, N. W.,
WASHINGTON, D. C., Monday.

Proposing an investigation of the source and disposition of contributions intended to influence, directly or indirectly, the choice of President and Vice President this year, Senator Gore, of Oklahoma, to-day introduced a resolution proposing a joint commission of three members of each House to conduct the inquiry.

Senator Gore also would have the campaign funds of 1904 examined into by the joint commission and upon request would have the campaign contribution of 1908 brought under the searchlight, though he does not apprehend there will be further demand for publicity in regard to these latter funds.

Senator Gore proposes that the joint commission during July and August investigate the funds contributed, and then in November he would have the committee resume its labors.

The resolution was referred to the Committee on Privileges and Elections.

MR. BENSEL URGES HARBOR EXPANSION

State Engineer Reports to Legislature on Needs of Port Here.

[SPECIAL DESPATCH TO THE HERALD.]

ALBANY, N. Y., Monday.—Improvement of the port of New York to meet the growing requirements of commerce and the rapidly increasing size of transatlantic steamships is recommended by the State Engineer, John A. Bensel, in his report submitted to the Legislature to-night. Mr. Bensel declares it is imperative that the piers be extended so as to accommodate the world's largest vessels, and he favors a commission whose duty should be to plan pier and bulkhead lines as necessity demands.

Mr. Bensel speaks of the permission received from the United States government for a temporary extension of the pier head line of Manhattan Island, which "enabled New York city to continue to be able to offer the proper accommodations for the largest steamships afloat," and then says:—

"The commission of the State, acting in conjunction with one of like nature appointed by the Governor of New Jersey, is now at work mapping out new pier head lines for the harbor of New York, including that portion of the State of New Jersey lying within the port of New York. It will be the first work of the kind which has been done by the State of New York since the lines were originally established by the last State Commission in 1855, and the changes which have come by commercial development are such as to render it imperative that the commercial interests of the State of New York, which practically represent those of the country, should have a commission with the power of the State behind it to plan pier and bulkhead lines and submit the same, it is to be hoped, along with those of the New Jersey commissioners, to the United States government officials for approval."

Mr. Bensel deals at length with the barge canal work and recommends legislation to prevent the pollution of barge canal waters. He believes that the proposed $750,000 dam at Troy should be built by the State and not by the federal government, as he believes the State should not relinquish a single water right. It is the State Engineer's plan to have the funds derived from the use of water power along the canal applied to the retirement of canal bonds.

APPROPRIATION OF $25,384,562 ASKED

With $950,462 Canal Fund Amount Is $478,111 Greater Than Last Year.

[SPECIAL DESPATCH TO THE HERALD.]

ALBANY, N. Y., Monday.—Assemblyman Whitney, chairman of the Ways and Means Committee, introduced the annual appropriation bill to-night. It carries a total of $25,384,562.28, and to this should be added the canal fund appropriation of $950,462. This is an increase of $478,111.38 over the appropriation bill last year.

Mr. Whitney explains that this increase is due to increased expenses incurred under provisions of laws of 1911. Some of these are the Conservation Commission and State Fire Marshal laws, the Cold Storage law, increased judicial expense due to the election of additional Justices of the Supreme Court in the First and Second districts and increase in cost of charitable institutions due to increase in population.

Included in this bill also are items that in other years have been carried in the supply bill. The total requests of the several departments were $27,479,477.74, exclusive of the canal fund.

The reduction of more than $2,000,000 was made by cutting out all proposed increases in salaries and other items. The Ways and Means Committee believes the final amount will not differ greatly from that given in the present bill.

The fight in the Assembly over direct nominations was started to-night when Assemblyman Chilton, of Brooklyn, introduced a State wide primary bill applying to all nominations and all elections to party positions. With a few minor changes it is the same as the Hinman-Green bill of 1910. Mr. Chilton said to-night that he would insist on a hearing on the bill, and that it was not his intention to let it be killed by the party bosses without a fight.

Assemblyman Dana and Senator Saxe introduced the Short Ballot bill in both houses. It provides for an amendment to the constitution to give the Governor the right of appointment and removal of the minor State officers.

Assemblyman Parker introduced a bill providing that the reorganization of all railroads and all corporations under the jurisdiction of the Public Service Commission must have the approval of the commission. This bill is to meet the decision of the Court of Appeals in the Third Avenue Railroad case.

Assemblyman Coffey introduced a bill directed at the loan shark evil. The bill has the approval of the Russell Sage Foundation.

Assemblyman Cuvillier's resolution requesting New York's representatives in Congress to favor Postmaster General Hitchcock's plan for the government ownership of telegraph lines went over under the rules for one week.

Notice was filed of a contest over the seat of Myer Greenberg, Assemblyman from the Tenth district of New York, Maxim Birnkrant, republican, being the contestant.

The appointments made by Governor Dix last week—C. Gordon Reel as Superintendent of Highways; George W. Driscoll as State Fair Commissioner; Calvin J. Huson as Commissioner of Agriculture, and Dr. James V. May as president of the Lunacy Commission—were confirmed without opposition.

INSURANCE STOCK REGULATION URGED

Best to Catch Evil Plans Young, Says State Superintendent's Report.

[SPECIAL DESPATCH TO THE HERALD.]

ALBANY, N. Y., Monday.—Organization of all insurance and insurance holding companies will be placed under the supervision of the Insurance Department if the Legislature acts on the suggestion made by Mr. Hotchkiss, the Superintendent, in his forthcoming report.

"Evil or extravagant insurance plans are caught best when caught young," says the report. "The people of this and other States have in recent years lost more through stock purchases in connection with promotions than they have through the purchase of policies in unreliable insurance companies."

In speaking of the life of mail order stock selling houses and the "sucker lists" Mr. Hotchkiss says the operations have greatly decreased since 1910, but he thinks the public should be protected still further.

Seek Cause of Wreck That Killed 4 Railroad Chiefs

Illinois Central, State Commission and Coroner Begin Separate Inquiries.

NO WHITEWASH, IS WORD

Family of J. T. Harahan Loses $26,000 Through Lapsing of Accident Policy.


JAMES T. HARAHAN
EDWARD B. PEIRCE
F.O. MELCHER

[SPECIAL DESPATCH TO THE HERALD.]

CHICAGO, Ill., Monday.—Three investigations were begun to-day to place responsibility for the rear-end collision of two Illinois Central Railroad passenger trains near Kinmundy, Ill., early this morning, in which James T. Harahan, once president of the road, and three other prominent railroad men were killed and three trainmen injured. Friends have removed to Chicago the bodies of Mr. Harahan and the other two from that city, Frank O. Melcher, second vice president of the Rock Island Railroad, and Edward Beauchamp Pierce, general counsel for the Rock Island Railroad. The body of the fourth victim, Eldridge E. Wright, of Memphis, Tenn., vice president of the Rock Island Bridge Company and a son of General Luke E. Wright, formerly Secretary of War, has been sent to that city.

The first investigation begun was that by the Coroner of Marion county, Illinois, who examined two witnesses and continued the hearing until Friday that the crew of the Panama Limited may testify. The Illinois State Railroad and Warehouse Commission has begun an inquiry, but the major investigation was authorized by the Illinois Central Railroad Company itself, to start immediately at Campaign, Ill.

The trainmen injured in the wreck are Robert Stuart, engine driver of the Panama Limited, train No. 3, which crashed into Mr. Melcher's private car attached to the rear end of the New Orleans Express, train No. 25; C. J. Bert, fireman of the Limited, and James Gilbert, fireman of the express.

Mr. Melcher's private car was of wooden construction and was demolished. The victims were sleeping in this car when the heavy engine, drawing a solid train of steel sleeping cars, ploughed half way through.

Four other occupants, Byron B. Curry, secretary to Mr. Melcher; Thomas Busbee, attorney for the Rock Island at Little Rock, Ark., and two negro porters, escaped with bruises after being buried in the debris. They were sleeping in the front end of the car.

The bodies of the four victims were mutilated. Mr. Wright was hurled through four partitions within the car. Mr. Harahan was decapitated. His body was thrown through the roof of the car.

Those who will conduct the inquiry at the invitation of the railroad and are in addition to its own experts, representatives of the Interstate Commerce Commission, the Illinois aRilroad and Warehouse Commission, D. A. Goss, of the University of Illinois, and G. L. Pittinger, a capitalist of Centralia, Ill.

"There will be no 'whitewash,'" said T. J. Foley, assistant general manager of the Illinois Central. "We will go the limit to establish the blame. The Illinois Central Railroad wishes to know the truth and all of it."

The railroad undertakes the public inquiry in pursuance of a policy adopted a year ago at the instance of W. L. Park, vice president.

Because Mr. Harahan had permitted his accident insurance policy with the Aetna Life Insurance Company to lapse last year his family and beneficiaries will not be in a position to collect the $26,000. The original policy accumulated $1,000 each, and inasmuch as double damages are paid for fatalities on railroads the estate could have claimed $26,000.

Mr. Harahan, Superstitious About Wrecks, Invented Safety Device.

In the last days of his life, suddenly cut short yesterday morning, as told exclusively in the NEW YORK HERALD, James T. Harahan had given close study to an electrical automatic signal device for use on railways which would have rendered almost impossible th ecollision in which the erstwhile Western railway president died. Personal interest among the directing personalities of all railroads in such devices has been aroused in the recent past by the railway injuries resulting in the death of Spencer Trask, a noted railway financier, and Samuel Spencer, president of the Southern Railway, and of Mrs. Newman Erio, wife of the president of the Pere Marquette Railroad.

The death of Mr. Harahan s the third within a few years, which has brought home to men at the head of great railways that they and those dearest to them are no tabsolutely protected against railway accidents at present in spite of all the special care their journeyings receive from the whole staff of employes on the roads they use.

The Electrical Board of Control of the Inter State Commerce Commission made an extended test of the electrical device which Mr. Harahan was considering when he was killed. It has been installed for a yea ron the Tottenville branch of the Staten Island Railroad and when the federal board subjected it to a test a few months ago it worked perfectly in 100 repetitions of each of the tests. When it was first installed a year ago its whole operation and observation was placed entirely in the hands of government agents. They managed it for three months and developed and eliminated during that time several faults which were attributed by them to imperfect construction of the parts and installator.

It consists of electrical connections of the signal apparatus along the road with electrical connections in the locomotives of all trains, through a small third rail, which is not "alive" except when trains are passing over it. The revolutions of the locomotive wheels produce the electrical power required to keep an electric signal lamp lighted in the locomotive cab so long as the track is clear and all signals are set accordingly.

If a signal is set against a train it is impossible for the train to run past it, even though the driver be dead in his cab, for as the locomotive mechanism comes in connection with that from the stationery signal the latter operates to throw off the power in the cab, the light goes out, the air brakes are set and the air is utilized to blow an alarm whistle.

Mr. Harahan was a very superstitious man, one of his beliefs being that the tapping of wood whenever he entered a railroad train was an effective means of averting disaster. This weakness he displayed at all times, apparently without being aware of the ingenuousness of the act, nor was he conscious of the smiles the procedure provoked among his fellow travellers.

On his return to Chicago after a long railroad journey through the South, in the summer of 1905, the announcement was made that Mr. Harahan, at that time president of the Illinois Central Railroad, had just completed 250,000 miles of railroad travel since his incumbency of the office of president. Nearly every Chicago newspaper sent reporters to Mr. Harahan's residence, in Michigan avenue, to whom he narrated his experiences without reserve.

"Have you ever been in a railroad accident during your travels, Mr. Harahan?" asked a reported.

Mr. Harahan started perceptibly, then leaned over the edge of the sofa upon which he sat and rapped the window frame vigorously three times with his knuckles. He then relighted his cigar and turned to the reporters, who were watching him curiously.

"I always rap wood when railroad accidents are alluded to in my presence," he said smilingly. "I've never been in a railroad accident, and if the rapping of wood will prevent them I'm just weak enough to indulge in the practice. As long as I continue the practice, I'm convinced I'll escape harm."

No one can tell whether he rapped wood before entering the ill-fated train upon which, in his first accident, he lost his life.

Mr. Harahan Let $26,000 Accident Policy Lapse Last Year.

[SPECIAL DESPATCH TO THE HERALD.]

HARTFORD, Conn., Monday.—After carrying a $10,000 accident policy with the Aetna Accident and Liability Company, of this city, for three years, James T. Harahan, formerly president of the Illinois Central Railroad, who was killed today in a railroad wreck, which would have meant double damages, permitted the policy to lapse in April, 1911. Walter Faxon, vice president of the Aetna company, said to-night that had the policy been in force his company would have been ready to-morrow to send a check for $26,000 to the Harahan estate. The policy accumulated $1,000 each year and it was in force for three years.

DR. WILEY UPHELD BY HOUSE INQUIRY

Report Commends President for Removing G. P. McCabe as a Pure Food Referee.

HERALD BUREAU,
No. 1,502 H STREET, N. W.,
WASHINGTON, D. C., Monday.

"Not guilty," is the verdict of the House Committee on Expenditures in the Department of Agriculture in the case of Dr. Harvey W. Wiley, chief of the Bureau of Chemistry, and his associates, who were charged with an attempt to evade the law in the employment of Dr. H. H. Rusby, of New York, as an expert chemist at $20 a day.

The unanimous report of the committee, made public to-day, takes a fling at the methods heretofore prevailing in the administration of the Pure Food law and commends President Taft for his action in changing that method by eliminating from the referee board George P. McCabe, solicitor for the Department of Agriculture. On this subject the report says:—

"It is the opinion of your committee that a board exercising functions such as are exercised by the referee board, its decisions being given such far reaching effects by the Secretary of Agriculture, ought not to rest on the authority of an executive order.

"If such a board be deemed necessary or advisable in the administration of the Pure Food law its authority should be expressly conferred, its scope and jurisdiction clearly defined and the effect of its decisions declared, by act of Congress."

Dr. Wiley To Be Guest of University Club of Brooklyn.

Dr. Harvey W. Wiley, chief government chemist, will be the guest of the University Club of Brooklyn this evening at a dinner to be held in the club house. Great interest in the dinner has been aroused, particularly because of the recent assertion of Dr. Wiley that Jamaica Bay oysters are contaminated by sewage. Physicians are particularly interested in what Dr. Wiley may have to say further about the Jamaica Bay oysters.

DEFENDS TOBACCO REORGANIZATION

Mr. Wickersham Before Senate Committee Asserts Settlement Subserves the Public's Interests.

WASHINGTON, D. C., Monday.—Attorney General Wickersham declared to-day before the Senate Committee on Judiciary that public interests have been subserved and competition will be restored under the reorganization plan of the Tobacco Trust, adopted as the result of the decision of the United States Supreme Court dissolving the corporation.

Mr. Wickersham was a witness before the committee in executive session for more than two hours and a half. He expressed the foregoing opinion when urged to give reasons why the government had not appealed from the reorganization plans approved by the Circuit Court for the Southern District of New York.

The Cumins bill, which would give to independent tobacco interests the right to appeal the case from the Circuit Court to the United States Supreme Court, according to the Attorney General, would be unconstitutional. It would put the independants in the same position as if they were direct parties to the suit.

Mr. Wickersham declared the bill antagonistic to the position of the Department of Justice. He said he assumed entire responsibility for the failure to appeal the Tobacco Trust case.

WOOLLEN COMPANY FACES BIG INQUIRY

Governor Foss May Place "Pauper Labor" Proof Before Federal Officials.

EUROPEANS MISLED, PLEA

Glaring Posters and Alluring Pictures Displayed in Southern Europe to Lure Men to Lawrence.

[SPECIAL DESPATCH TO THE HERALD.]

LAWRENCE, Mass., Monday.—Unless the big Lawrence mill strike, which began a week ago Friday, when 25,000 operatives left the woollen mills, is settled soon, the federal authorities may be asked to investigate the methods of the American Woollen Company in obtaining foreign labor to work in its properties.

Mr. Dudley M. Homan, Secretary to Governor Eugene N. Foss, has reported to the Governor after several days spent among the operatives in Lawrence that the American Woolen Company, of which Mr. William M. Wood is president, sent agents all through Southern Europe seeking workers for the mills, that American Woolen Company advertising literature was distributed in every city, town and village of Southern Europe and that hundreds of men and boys were procured in this way, who came across the ocean to Lawrence and went to work in the mills for from $5.10 to $5.40 per week.

An immigration official has been in Lawrence for several days gathering facts about alleged violations of the contract labor laws by the mill owners, and it is understood that he will make a report to Washington in a few days.

The Governor has been told that agents of the American Woolen Company arranged for moving picture shows at which the advantages of coming to Lawrence to work in the mills was shown to the inhabitants of Southern Europe. One of the placards most extensively used showed a picture of the Wood mills in Lawrence with streams of laughing workmen pouring from the doors, carrying handfuls of bank bills to a bank across the street. There is no bank in the vicinity of the mills.

An Italian, who was bayonetted by the militia a few days ago and who is now in the Lawrence Hospital, declared that it was this picture that induced him to come to Lawrence.

Many of the striking operatives who have been working since they came to Lawrence for less than $6 a week have families of from five to nine children.

One of the arguments used by the American Woollen Company against Congressional interference with the wol tariff was that taking the high protection from the mills would expose them to unfair competition with mills that used the "pauper labor" of Europe. Figures which have been collected by Mr. Holman show that most of the labor in the Lawrence mills is of the class to which the company objected.

The American Woollen Company, in 1902, was capitalized at approximately $49,000,000, and that year paid about $1,000,000 in dividends. In 1911 the capitalization was about $60,000,000 and about $2,000,000 was paid in dividends. Meantime, the strikers and State officials say, wages, as a result of the importation of the labor, have been reduced.

Following a day of frequent clashes between guardsmen and strikers, in which several strikers had their heads cut by clubs, Joseph Ettor, leader of the strike, declared to-night that if the trouble were nt soon settled he would call out the operatives in every textile mill in New England. If he does, this will affect Fall River, Lowell, New Bedford, Manchester, N. H., and several other woollen and cotton manufacturing centres.

William D. Haywood, who, with Moyer and Pettibone, was acquitted of the charge of assassinating Governor Frank Stuenenberg, of Idaho, is expected in Lawrence next week to take charge of the strike while Mr. Ettor is travelling about the mill centres trying to bring about a general shutdown.

MR. TAFT WITHHOLDS CUTTER INDORSEMENT

Sees Points in Favor of Abolition, but Has Not Officially Urged Plan.

HERALD BUREAU,
No. 1,502 H STREET, N. W.,
WASHINGTON, D. C., Monday.

President Taft has not yet given his official indorsement to the plan of his Economy Commission to abolish the Revenue Cutter Service and have its duties taken up by other departments. The commission's recommendation of this was sent to Congress last week by the President in a special message, but it was said at the White House to-day Mr. Taft simply considers the report an illustration of how money might be saved.

In his message the President was careful to make no comment for or against the question, and he will not decide officially whether he believes the plan feasible until after the matter has been fully considered.

Unofficially the President believes the plan to put the Revenue Cutter Service under the navy has points in its favor.

The Prisoner Band. Even unto the second generation are the Apache Indians held prisoners of Uncle Sam. The lands they occupy are needed now, so they will have to be moved. Complete story in next Sunday's NEW YORK HERALD.

URGES FREE USE OF CANAL.

Commissioner of Navigation Again Appeals for Rights of American Vessels.

HERALD BUREAU,
No. 1,502 H STREET, N. W.,
WASHINGTON, D. C., Monday.

His reason for recommending that American vessels should be allowed free use of the Panama Canal were explained to the House Interstate and Foreign Commerce Committee to-day by Eugene Tyler Chamberlain, United States Commissioner of Navigation. The Commissioner said that foreign nations paid subsidies to their vessels and no treaty into which the United States has entered can prevent this country from doing the same if it desires.

He said European countries remit part of the tolls to vessels using the Suez Canal and may be expected to do the same for their vessels using the Panama Canal. In that case he thought the American vessels, paying the regular tolls, would be at a great disadvantage.

These arguments fell on unresponsive ears as far as the majority of the committee were concerned.